

UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-2092

MM/DD/YY

John S. Smith
Payroll & Human Resources
Any Rail Employer
123 Main Street
Any Town, IL 60000

Your Employer No. 2222

ANNUAL NOTICE TO EMPLOYERS – RAILROAD UNEMPLOYMENT INSURANCE ACT

The Railroad Unemployment Insurance Act requires that we annually notify you by October 15 of certain information used to calculate your contribution rate for the following year. We used the following figures to calculate your contribution rate for YYYY+1 which is xx.xx percent:

<u>Step</u>	<u>As of 6/30/YYYY</u>
A Net benefit charge for 12 calendar quarters	\$ x,xxx,xxx,xxx.xxx.xx
B 3-year compensation base	\$ x,xxx,xxx,xxx,xxx.xx
C Benefit Ratio (A ÷ B) rounded	xxx.xxxx
D Net cumulative contribution balance	\$ x,xxx,xxx,xxx,xxx.xx
E Cumulative benefit balance	\$ x,xxx,xxx,xxx,xxx.xx
F Reserve balance (D minus E)	\$ x,xxx,xxx,xxx,xxx.xx
G 1-year compensation base	\$ x,xxx,xxx,xxx,xxx.xx
H Reserve Ratio (F ÷ G) rounded	xxx.xxxx
	<u>For Calendar Year</u>
	<u>YYYY+1</u>
I Basic contribution rate (C minus H minus Pooled Credit Ratio) x100	xxxxx.xx %
J Basic contribution rate adjusted for minimum (maximum of I or zero)	xxxxx.xx %
K Administrative fund charge (fixed rate)	0.65 %
L Surcharge rate	xx.xx %
M Computed contribution rate (J+K+L+Pooled Charge Ratio)	xxxxx.xx %
N Contribution rate adjusted for maximum or new employer calculations	xx.xx %

The above figures were used in the calculation of your contribution rate for YYYY+1. If you follow the figures listed in steps A through N, you will be able to arrive at your calculated rate as shown in step N. Please note that the calculations in steps A-H reflect the combined activity of all employers within your joint account as listed on your September YYYY quarterly report.

Your Employer No. 2222

Your contribution rate for **YYYY+1** is **xx.xx** percent. Use this rate in computing the amount of contributions payable based on compensation paid to your employees for days in **YYYY+1**. Contributions payable based on compensation paid for days in periods earlier than **YYYY+1** must be computed using the rate applicable to the period for which the compensation was earned.

If you believe your rate of contribution for **YYYY+1** is incorrect, you have the right under Section 345.307 of the Regulations (20 CFR 345.307) to request reconsideration of your rate of contribution under the Railroad Unemployment Insurance Act. A request for reconsideration must be submitted in writing and filed with the Director of Assessment and Training within 90 days from the date of this notice.

Annual Proclamation

The following system level information is used in calculating your rate. This system level information is the same for all employers for this year.

The following system level information applies to the Railroad Unemployment Insurance Account as of **June 30, YYYY**:

• RUI Account Balance	\$ xxx,xxx,xxx,xxx,xxx.xx
• System Compensation Base	\$ xxx,xxx,xxx,xxx,xxx.xx
• Cumulative System Unallocated Charge Balance	\$ xxx,xxx,xxx,xxx,xxx.xx

This information pertains to the calendar year beginning **January 1, YYYY+1**:

• System Pooled Credit Ratio*	000.0000
• System Pooled Charge Ratio**	000.00
• Administrative Fund Charge (Fixed Rate)	00.65 %
• System Surcharge Rate	00.00 %
• Maximum Contribution Rate	00.00 %
• Contribution Rate for New Employers	00.00 %

**Pooled Credit Ratio*-When the RUI account balance is above the indexed \$250 million amount, the excess is "refunded" to the employers in the form of a rate reduction. The pooled credit ratio is any excess over the indexed \$250 million amount divided by the system compensation base. Each employer's tax rate, prior to application of individual maximum and minimum limitations, is reduced by that same amount.

***Pooled Charge Ratio*-Compare contributions which will be foregone due to the maximum contribution rate (step N) to contributions gained due to the minimum (step J). If the former exceeds the latter, there is a pooled charge ratio to make up the difference.